

A TIME TO STAND TOGETHER

**A TIME FOR
SOCIAL
SOLIDARITY**



**A Declaration on Social and Economic Policy
Directions for Canada by Members of Popular Sector Groups.**



... A time to stand together ... A time for social solidarity

A Declaration on Social and Economic
Policy Directions for Canada by
Members of Popular Sector Groups

November, 1987

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Page 6

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13



Table of contents

Social Crisis pg. 5

Market Policies pg. 7

Private Sector
Natural Unemployment
Government Deficits
Social Spending
Selective Programs
Privatized Services
Minimum Incomes
Bilateral Free Trade

Social Solidarity pg. 10

Alternative Policies pg. 13

Full Employment
Economic Strategies
Labour Standards
Social Programs
Taxation Policies
Public Sector

Social Movement pg. 16

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As socially concerned people in labour unions, women's organizations, welfare rights associations, church organizations, aboriginal groups, and other community associations, we are alarmed by signs of deepening social crisis in Canada today. Plant shut-downs, farm bankruptcies, business failures, and abandoned communities have left well over a million and a half people unemployed, thus deprived of an adequate family or personal income. During the past two years alone, nearly a million people have become dependent on welfare. Close to one out of every five citizens in Canada is now living at or below the official poverty line.

As members of various popular organizations, we

wish to declare our solidarity with all those people who have become the victims of the continuing social and economic crisis in this country. Indeed, we stand in the tradition of popular movements who have relentlessly struggled for public policies based on economic and social justice in Canada. Today, more than ever, we must resist the strategies of divide and conquer and unite in common cause. We therefore invite other members of our own organizations, as well as other concerned persons and groups in communities and regions across Canada, to join with us in a process of analyzing the realities and causes of the present socio-economic crisis and identifying alternative economic and social policy directions.

Social crisis

TODAY THE LIVING SIGNS OF THIS SOCIAL crisis are all around us. The relentless line-ups at food banks and the increasing number of homeless and hungry people on our streets dramatize the realities of this social tragedy. All across Canada, these new trends of poverty, homelessness, and hunger are manifesting themselves in different degrees between regions and within both urban and rural communities. At the same time, these trends are augmented by other signs of social breakdown including: increased alcoholism; violence against women and children in the family; delinquency; suicides; along with growing numbers of mental health cases and family break-ups. While much remains hidden, the crisis is real!

The victims of this deepening social crisis are many. They include women, students, young people, children, the elderly, and people with disabilities. They involve the aboriginal peoples, new immigrants, and visible minorities. They also encompass older workers, farmers, fishers, and the working poor. Historically, the aboriginal peoples of this country have generally been the hardest hit by the realities of poverty and oppression. Today, women and children clearly find themselves among the prime victims of poverty, homelessness, and hunger. In any case, the present social crisis constitutes a series of assaults on the value, dignity, and self-worth of a growing number of people in Canada today.

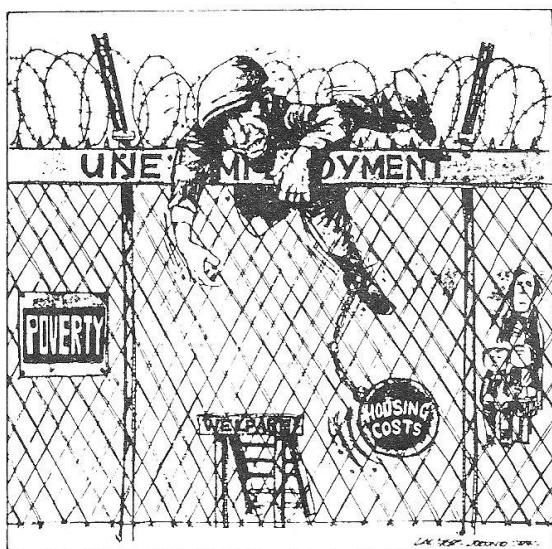


In the midst of this social crisis, Canada is rapidly becoming a sharply stratified society of "winners" and "losers". On the one hand, a substantial number of working people have been subjected to permanent unemployment or shut out of employment by the new technologies. On the other hand, a more technologically secure and upwardly mobile sector of the population is permanently employed with adequate incomes. Between these two solitudes lies a large number of working people whose economic base has been severely eroded, or who live in constant fear of

layoffs. This includes a growing number of workers who have no other choice but to depend on part-time, temporary, low wage jobs for their livelihood. Caught in the downward spiral of social mobility, they comprise the "new poor" class that is rapidly emerging in Canada today.

Today, social inequalities are further dramatized by the realities of regional underdevelopment that exist across this country. The highest rates of unemployment and poverty are found today in these regions which have traditionally served as resource hinterlands for the metropolitan industrial centres of Canada. These underdeveloped regions include Newfoundland, the Maritime Provinces, the northern parts of Ontario and large parts of Quebec, most parts of the Prairie provinces and British Columbia, and the Northern territories. The gap in the rate of unemployment between these underdeveloped regions and southern Ontario, for example, has steadily widened in recent years. In the case of Newfoundland, the gap has widened dramatically. In 1983, at the height of the economic crisis, Newfoundland's unemployment rate was 175% that of Ontario's by the end of 1986 it had risen to 309%.

Moreover, the present social crisis reveals the deep structural inequalities that exist in the distribution of wealth and power in this country. Today, the top 20% of income earners receive 43% of total personal income, while the bottom 20% receive less than 4%. These class divisions become even more evident when the net wealth of all families is considered. In terms of net wealth (total wealth minus debt), the poorest 20% of all Canadians have next to nothing, a mere 0.3%. In other words, most are in debt. The next 20% has only 2.4% of total net wealth. By contrast, the highest 20% possess 69% of Canada's total net





Natural Unemployment: There is nothing "normal", "natural", or "voluntary" about unemployment. On the contrary, large scale unemployment (and underemployment) has become the central cause of economic and social insecurity in Canada. In economic terms alone, recent unemployment has resulted in an annual loss of some 53 billion dollars to Canada's economy. Meanwhile, other countries have managed to maintain low rates of unemployment in spite of changing world economic conditions.

Government Deficits: As a percentage of the GNP, the current federal deficit is lower than it has been in the past. Today, the accumulated federal debt is around 35% of the GNP, while in 1952 it was as high as 51%. Current government deficits are largely the result of: reduced tax

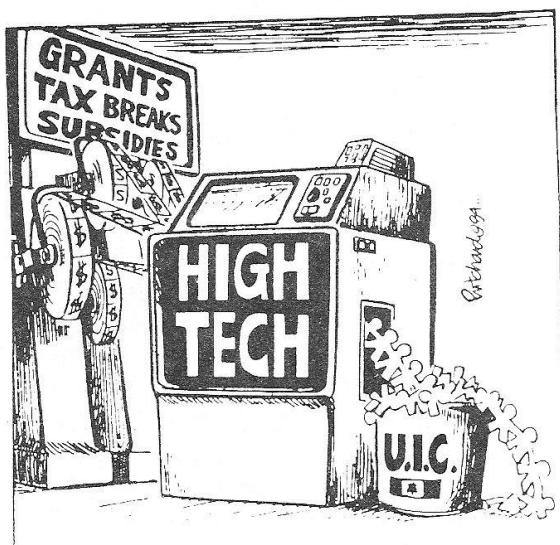
revenues caused by high unemployment; increased social assistance payments to the jobless; and multi-billion dollar handouts to corporations.

Social Spending: Government spending on social programs in Canada is well below spending levels in most other industrial nations. Among the OECD countries, Canada ranks 13th out of 19 countries in the proportion of national income expenditures on social programs. In 1984, for example, Canada would have had to spend an additional \$20 billion on social programs just to keep pace with the average in other countries. Instead, social spending in this country continues to decline relative to national wealth.

Selective Programs: By targeting people through means tests, selective programs inevitably serve to create divisions between those "who pay" and those "who receive". As a result, the poorest sectors of the population are further stigmatized, humiliated, and even harassed. Workers are pitted against the unemployed, the working poor against the welfare poor, low and middle income tax-payers against people on social assistance.

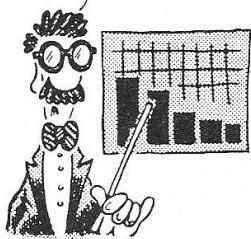
Privatized Services: Privatized services do not mean high quality and greater efficiency. In the operations of hospitals and nursing homes by private firms, for example, studies show that quality of service is generally sacrificed in the quest for profits. Moreover, the takeover of public services by private firms inevitably results in job losses and the erosion of working conditions, as work gets contracted-out to non-unionized, low wage enterprises.

Minimum incomes: Minimum income programs at less than the poverty level (as recently proposed by the Macdonald and Forget Commissions) would

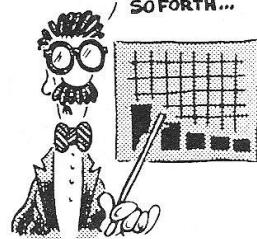




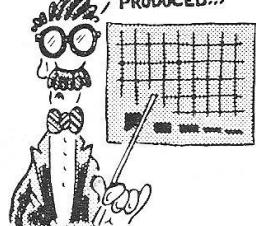
NATIONS MUST CUT WAGES
TO STAY COMPETITIVE
IN THE WORLD
MARKET...



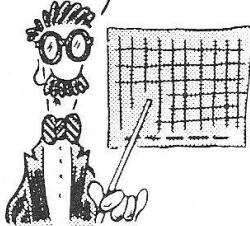
CANADA CUTS WAGES
TO COMPETE WITH JAPAN,
WHO CUTS WAGES TO COMPETE
WITH KOREA, AND SO ON AND
SO FORTH...



...UNTIL WORKERS EVERYWHERE
EARN NEXT TO NOTHING
AND CAN'T AFFORD TO BUY
THE PRODUCTS
PRODUCED...



...THIS IS KNOWN
AS
FREE TRADE!!



serve to further free both government and businesses from their responsibilities to provide full-time jobs at liveable wages. Income support schemes enable employers to avoid paying a decent wage. Under these conditions, minimum income programs would extend poverty rather than end it. Poverty will be eliminated through full employment at decent wages coupled with improved social insurance, the extension of universal services, and adequate income support for those unable to participate in the work force.

Bilateral Free Trade: Unemployment and poverty in Canada would be further aggravated by a bilateral free trade accord with the United States. Under free trade, U.S. companies with branch plants in Canada would shift production back to their parent companies, leading to more plant shut-downs and layoffs here. Moreover, federal and provincial governments will be pressed by both U.S. and Canadian companies to reduce or eliminate those social programs said to be giving Canadian companies an "unfair competitive advantage". At the same time, Canadian employers will be pressing to lower their pay and benefit plans down to the levels of their U.S. competitors.

In the final analysis, a society and economy that is based primarily on market priorities is enormously wasteful in terms of both human and material resources. A society where over a million and a half workers are rendered unproductive by forced idleness is wasting its human resources. An economy where over a third of its productive capacity sits unused is wasting its material resources. A country where billions of dollars from peoples' savings are squandered to finance corporate takeovers, mergers, investment abroad, and unproductive speculation on the stock market is wasting a people's heritage.



Social solidarity

HISTORICALLY, SOCIAL AND ECONOMIC policies in Canada have been developed in such a way as to divide the struggles of poor people from those of working people. The strategies of governments and corporations have often been to accentuate the differences between the poor and workers to the point of playing one group off against another. These divisive strategies, in turn, have been reinforced by ideologies that promote selfishness, greed, individualism, racism, sexism, and anti-union sentiments. In the midst of all this, many voluntary organizations and people of good will have been manipulated and co-opted by these divisive strategies.

Today, the increasing trends toward market-oriented economic and social policies again threaten to divide the struggles of the poor from those of working people. We believe this is a time to stand together! It is a time for the victims of the current socio-economic crisis to unite together in a common struggle for social and economic justice in this country. For an injury to one is an injury to all!

It is clear that Canada's social assistance programs are not adequate to measure up to the demands of the crisis. Indeed, the universality and quality of many of our social programs are being severely eroded at a time when they are most needed by a growing number of people. Action must be taken to relieve the suffering of the homeless, the hungry, and the poor. This calls for decisive measures to restructure and upgrade existing social assistance programs to insure adequate income supports. In this regard, poor peoples' organizations across the country have an essential role

to play in establishing the criteria and the goals for adequacy in our social assistance programs.

At the same time, it is also clear that this is a critical moment for making major choices about the future direction of Canada's economic and social policies. Do we want to continue the present course of building a society and economy based primarily on market-oriented values and priorities or do we want to chart an alternative course by building a society and economy rooted in the values and priorities of social solidarity?

In a market-oriented society, human beings and social relations are largely defined in terms of the demand and supply forces of the marketplace. Economic and social policies are generally subjected to such market criteria as what is most "profitable", "productive", "competitive", and "efficient". Under these conditions, human labour, human needs and services tend to be treated as commodities to be bought, sold, or exchanged in the marketplace. In this context, the marketplace is understood to be a system of "natural justice" wherein each person is paid according to his or her "productivity" and where accumulated wealth is expected to trickle down to the people. Yet, experience has shown the opposite result, namely, that market mechanisms often end up perpetuating poverty and social inequalities.

Indeed, we believe that social inequality is inherent in market-driven societies. For these reasons, we maintain there is another vision of society and the economy, one based on "social solidarity" rather than market values and priorities. Social solidarity has to do, first and foremost, with



in the form of paid employment should be the primary source of income in a people-oriented economy.

Second, all working people have a basic right to meaningful and effective participation in decision-making with respect to the workplace. The fact that so much of a person's time is spent at work requires that the value and dignity of human work must be recognized in the workplace. Moreover, the activity of work itself is integral to human life and has its own intrinsic value. If the quality of working life is to be improved, therefore, new forms of workplace democracy are imperative.

Third, all people engaged in productive, but unpaid forms of work in both the home and the community have a basic right to be recognized for their contributions to the development of society. Reduced work time would allow both men and women to share more equally in voluntary work and participate more fully in community and family life. At the same time, many current

forms of voluntary work need to be converted into paid employment as a further step towards a society based on full employment.

These dimensions of human work are essential to a people-oriented economy. Even in difficult, often alienating working conditions of our present market economy, people struggle for human dignity and participation in society, through their work. Indeed, human work has the power, in and of itself, to create human community and social solidarity.

Finally, the development of a stronger and more participatory democracy is an essential goal of a solidarity oriented society. This calls for a strong and dynamic public sector that is both accessible and accountable to popular participation. Through this process, greater emphasis would be placed on stimulating community and worker participation in, and control over, both social and economic development in Canada.



Alternative policies

HERE IS A PRESSING NEED TODAY TO develop alternative economic and social policies based on social solidarity rather than market-oriented priorities. This means converting to a people-oriented economy and society that puts top priority on serving people's basic needs, enhancing the value and dignity of human work, achieving a more equitable distribution of wealth and power among peoples and regions, and creating a more vital and participatory democracy. As a country, we have the resources, the capital, the technology and, above all, the people and skills required to develop a new economic and social order. What is required are policies and strategies designed to stop the waste and to mobilize our human and material resources for these purposes.

As an alternative platform, therefore, we propose the following set of socio-economic policies and strategies based on social solidarity. (For more details, see companion working document).

I. Full Employment: A full employment policy guaranteeing decent jobs for all those willing and able to work, must be established as the cornerstone of economic and social security in Canada. A full employment policy for Canada would include the following objectives:

- a) the recognition of universal access to paid employment for all who want it as a vital element of social and economic citizenship;
- b) the adoption of legislation designed to guarantee jobs for all citizens in all regions;



4. Social Programs: Existing social services, insurance, and assistance programs need to be strengthened, revitalized and expanded in order to better serve the basic needs of all citizens in our society. A revitalized system of social programs would include:

- a) the assurance of full universal access to essential social services and programs like national health care, education, family allowance, and daycare services;
- b) the enhancement and extension of social insurance programs (e.g., unemployment insurance; Canada/Quebec Pension) to ensure continuity of income in the case of contingencies;
- c) the provision of upgraded and fully indexed social assistance benefits to recognized adequacy levels for people unable to work; and
- d) improved standards of quality and public participation for the improvement of our social programs.

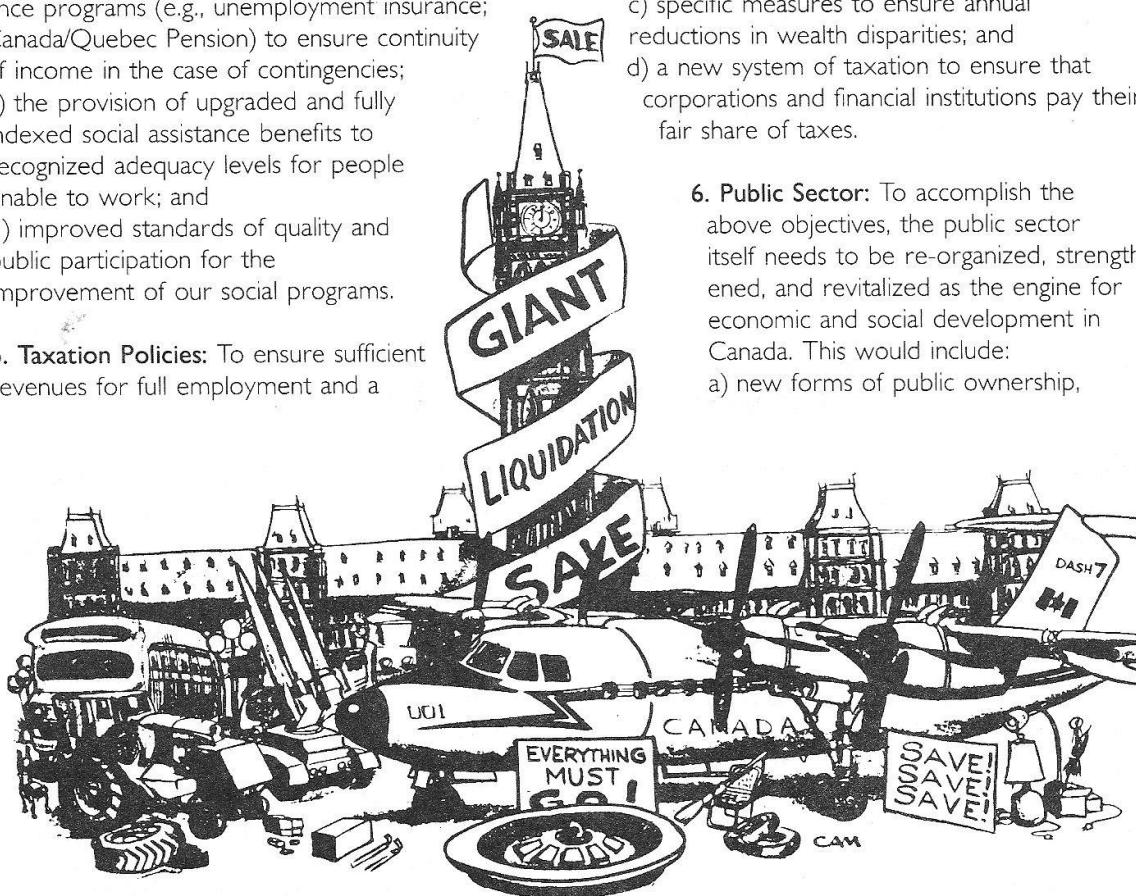
5. Taxation Policies: To ensure sufficient revenues for full employment and a

more equitable distribution of wealth, a progressive and fair taxation system needs to be developed based on the ability to pay. This would include the following components and measures:

- a) increases in the rate of personal income taxes for the top 40% of income earners and the closing of tax loopholes;
- b) a progressive tax on wealth above a modest threshold (e.g., taxes on the value of property owned, dividend income, capital gains, inheritances);
- c) specific measures to ensure annual reductions in wealth disparities; and
- d) a new system of taxation to ensure that corporations and financial institutions pay their fair share of taxes.

6. Public Sector: To accomplish the above objectives, the public sector itself needs to be re-organized, strengthened, and revitalized as the engine for economic and social development in Canada. This would include:

- a) new forms of public ownership,





planning and decision-making through new mechanisms to ensure effective public participation and accountability;

- b) the creation of democratic institutions such as worker or community controlled enterprises and cooperatives;
- c) greater community control over health care, education, and social services; and
- d) the mandating of crown corporations to implement a wide range of just policies on labour, economic, social and environmental concerns.

Taken together, these measures constitute an alternative set of social policy directions for Canada. These proposals are not meant to be a detailed blueprint for Canada's social and economic future. What we have put forward

here, instead, are some of the basic elements of an alternative vision based on principles of social solidarity rather than market priorities. Through ongoing research, analysis, and discussion by popular organizations and professional groups in communities and regions across Canada, we hope that more detailed proposals pertaining to these and related policy alternatives will be worked out. At the same time, it should be emphasized that federal, provincial (territorial), and municipal governments all have important roles to play in developing alternative strategies and programs. Moreover, businesses and other private sector organizations have a responsibility to join in this process of building an economy that serves people.

Social movement

AS A SOCIETY, WE HAVE THE PEOPLE, THE resources, and the skills required to develop an alternative economic and social future. What is required is the social imagination, moral courage, and political will to chart a new course. To move in this direction, however, it is essential that people coalesce together around a common social and economic vision. The emerging public debate over Canada's social policy future provides an occasion to begin this coalition building process.

The signs of the times give us some cause for hope. Across this country today, there is a growing commitment by popular groups —

labour unions, women's organizations, welfare rights groups, church organizations, aboriginal associations, handicapped groups, racial minority associations, co-op groups, students' associations, environmental groups, and a variety of other community organizations — to mobilize against any further assaults on Canada's social programs by market-oriented strategies and to struggle for alternative policies based on social solidarity.

Over the past two years, we have witnessed some dramatic illustrations of this commitment to mobilize popular coalitions around social policy issues. These include the public campaigns against



extra-billing for medicare, against the de-indexation of old age pensions, and against the de-indexation of family allowances. At the same time, popular coalitions for social solidarity have been organized in several provinces to address critical social and economic policy issues affecting the victims of crisis in their region.

In the coming year, we intend to take this declaration and agenda to a host of popular organizations in communities and regions all across Canada. We hope to encourage thousands of peoples' organizations to discuss, debate, and endorse the basic orientation of the declaration. At the same time, we hope that this declaration will be used as a framework for evaluating provincial policies and stimulating thought about policy alternatives. *Through this process, we expect that a variety of grassroots initiatives for alternative policies will emerge which will, in turn, add further insights and options to the proposals advanced in this declaration.*

What kind of society do we want to build in this country?

This is the question that must be faced by all residents of Canada today. Do we want to continue on the present course of building a society based primarily on market-oriented values and priorities? Or do we want to chart an alternative course by building a society rooted in the values and priorities of social solidarity?

As members of popular sector groups across Canada, we have declared our commitment and determination to struggle for social and economic policies based on social solidarity.

We believe that this is a time to stand together!

We now call upon all people who share this social vision to join with us in building a popular movement to transform the dominant socio-economic policies of this country. Together, we can reverse the present backward move toward an inequitable and divided society. Together, we can build a more human society based on the principle of social solidarity.



